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MoU with Trump family firm signed for stablecoin use

PM, army chief witness high-profile signing

By Khaleeq Kiani

ISLAMABAD: Pakistan on Wednesday signed a memorandum of understanding (MoU) with an affiliated entity of World Liberty Financial, a venture linked to the Trump family, to explore the use of its $1 stablecoin for cross-border transactions.

The MoU, described as non-binding, was signed by Finance Minister Muhammad Aurangzeb and Zachary Witkoff, son of White House envoy Steve Witkoff and chief executive officer of SC Financial Technologies LLC, an entity associated with World Liberty Financial.

The high-profile signing ceremony held at Prime Minister's Office (PMO) was witnessed by Prime Minister Shehbaz Sharif, Chief of Defence Forces (CDF) Field Marshal Syed Asim Munir, Deputy Prime Minister Ishaq Dar and Special Assistant to the Prime Minister Tariq Fatimi, according to a PMO statement.

Footage released by the PMO showed the MoU was signed after a meeting attended by the visiting delegation and senior Pakistani officials.

The PMO statement said the MoU aims to "enable structured dialogue and technical understanding around emerging digital payment architectures", including exploring World Liberty Financial's $1 stablecoin for cross-border transactions.

It said the delegation, led by Zachary Witkoff, also met senior Pakistani stakeholders to discuss "secure, compliant and transparent" digital payment infrastructure, including innovations in cross-border settlement and foreign exchange processes.

The PMO said Pakistan was positioning itself in the global digital finance landscape and that World Liberty Financial was deepening its engagement with the country to explore digital payments and cross-border finance innovations.

"Pakistan recognises that the future of finance is being shaped today. Our focus is to stay ahead of the curve by engaging with credible global players, understanding new financial models and ensuring that innovation, where explored, is aligned with regulation, stability and national interest," the PMO quoted Mr Aurangzeb as saying.

The statement said the engagement follows earlier interactions between World Liberty Financial and Pakistan, including the signing of a letter of intent in April with the Pakistan Crypto Council for knowledge-sharing and dialogue on emerging financial technologies.

Earlier on Dec 12, the newly established Pakistan Virtual Asset Regulatory Authority (PVARA) issued no-objection certificates (NOCs) to Binance and HTX, enabling both platforms to initiate local incorporation in Pakistan. These NOCs were issued very rapidly in under five months, faster than comparable timelines seen in other jurisdictions globally.

As part of the engagement, Binance founder Changpeng Zhao and TRON founder Justin Sun also visited Pakistan, meeting with key public and private sector stakeholders as part of broader engagement around the country's evolving digital asset and regulatory framework.

The PMO said Pakistan was emerging as one of the most compelling frontier markets for digital payments and financial innovation, driven by over $38 billion in annual remittance inflows, a rapidly growing digital economy, an estimated 40 million crypto users, and industry estimates of up to $300bn in annual trading volume, placing the country among the largest digital asset user bases globally.

With sustained international interest and a structured, regulation-first approach, Pakistan is increasingly being viewed as a market to watch in the evolution of global digital finance, the statement said.

Trade and AI cloud job outlook: ILO

- 300m workers earn less than $3 a day • Poverty, informality and youth joblessness persist
- Automation and uncertainty deepen employment risks

By Amin Ahmed

ISLAMABAD: As nearly 300 million workers continue to live in extreme poverty, earning less than $3 a day, a new report by the International Labour Organisation (ILO) says progress towards decent work has stalled, warning that young people continue to struggle, while artificial intelligence and trade policy uncertainty risk further undermining the job market.

The ILO report, Employment and Social Trends 2026, released on Wednesday, finds that while the global unemployment rate is projected to stay at 4.9 per cent in 2026 — equivalent to 186 million people — millions of workers around the world still lack access to quality jobs.

Despite the resilience of global unemployment rates amid economic uncertainty, the world continues to fall short in achieving meaningful reductions in decent work deficits. Given demographic shifts in global labour markets, decent work deficits are set to increase again after a prolonged period of improvement. Yet rising AI adoption, trade policy uncertainty, low foreign direct investment and stagnant trade growth render improvements in working conditions through an expansion of employment in trade-related sectors more difficult.

The report says informality is rising, with 2.1 billion workers expected to hold informal jobs by 2026, with limited access to social protection, rights at work and job security. The acute lack of progress in low-income countries is pushing workers with the poorest employment conditions even further behind, it says.

Youth unemployment climbed to 12.4pc in 2025, with around 260m young people not in education, employment or training (NEET). In low-income countries, NEET rates are a daunting 27.9pc. The ILO warned that artificial intelligence and automation could exacerbate challenges, particularly for educated youth in high-income countries seeking their first job in high-skill occupations.

Women still face entrenched barriers, largely driven by social norms and stereotypes. They account for just two-fifths of global employment and are 24pc less likely than men to participate in the labour force. Gains in female labour force participation have stalled, slowing progress towards gender equality at work.

Ageing populations are slowing labour force growth in richer economies, as fewer people of working age are available to enter or remain in employment, while low-income countries struggle to turn rapid population growth into productive jobs.

Employment growth in 2026 is projected at 0.5 per cent in upper-middle-income countries, 1.8pc in lower-middle-income economies and 3.1pc in low-income ones. Without sufficient productive job opportunities, poorer countries risk squandering their demographic dividend, the ILO warned.

Global trade disruptions are adding uncertainty to labour markets. Uncertainty about trade rules and supply chain bottlenecks is cutting into workers' wages, especially in Southeast Asia, Southern Asia and Europe. Nevertheless, trade remains a major source of jobs, supporting 465 million workers worldwide, more than half of them in Asia and the Pacific.

Despite an increase in employment of around 15.3 million people between 2024 and 2025, the employment-to-population ratio in Asia and the Pacific was estimated at 57.9pc in 2025. It is expected to decrease through to 2027, partly because of population ageing.

Asia and the Pacific is one of the most exposed regions to the effects of climate change, while also being a major emitter of greenhouse gases. As a green transition advances in the region, green jobs are appearing more prominently in national development strategies and plans. Jobs in the renewable energy sector have been on the rise, but they represent only part of the broader green jobs landscape.

Geo-economic rivalry tops global risks

WEF report flags conflict, weather and misinformation

ISLAMABAD: Geo-economic confrontation has emerged as the world's most pressing risk for 2026, according to the Global Risks Report 2026 released by the World Economic Forum (WEF) on Wednesday.

The report warns that the multilateral system is under strain as declining trust, reduced transparency, weakening respect for the rule of law and rising protectionism threaten international relations, trade and investment, increasing the likelihood of conflict.

Geo-economic confrontation tops the near-term rankings, with 18 per cent of respondents identifying it as the risk most likely to trigger a global crisis in 2026. It also ranks first for severity over the next two years, jumping eight places from last year. State-based armed conflict follows in second place for 2026, though it falls to fifth over the two-year horizon.

Against a backdrop of intensifying rivalries and prolonged conflicts, the report notes that confrontation is disrupting supply chains and undermining global economic stability, while eroding the cooperative capacity needed to manage economic shocks. On the geopolitical outlook, 68pc of respondents expect a multipolar or fragmented global order over the next decade, four points higher than last year.

Economic risks show the sharpest collective rise over the two-year outlook. Economic downturn and inflation both climbed eight positions to 11th and 21st, respectively, while the risk of asset bubble bursts rose seven places to 18th. The report cautions that mounting debt and potential asset bubbles, exacerbated by geo-economic tensions, could usher in a new phase of volatility.

Misinformation and disinformation rank second on the two-year outlook, while cyber insecurity stands sixth. Risks linked to adverse outcomes of artificial intelligence show the steepest long-term rise, climbing from 30th over the two-year horizon to fifth over 10 years, reflecting growing anxiety over impacts on labour markets, societies and security.

Societal polarisation ranks fourth for 2026 and third by 2028. Inequality sits seventh in both the two- and 10-year outlooks and is identified, for the second consecutive year, as the most interconnected risk, fuelling others as social mobility stalls. Economic downturn follows closely, with cost-of-living pressures and increasingly K-shaped economies underpinning these linkages.

Environmental risks have slipped in the two-year rankings as short-term concerns overshadow longer-term goals. Extreme weather fell from second to fourth, pollution from sixth to ninth, while biodiversity loss and critical changes to Earth systems dropped several places. All environmental risks recorded lower severity scores, marking an absolute, not merely relative, shift.—Amin Ahmed

KARACHI: Gold continued to break new records as the 10-gram and one-tola rates on Wednesday surged to an all-time high of Rs416,805 and Rs486,162, respectively, up by Rs3,687 and Rs4,300, on the back of $43 per ounce jump in world gold price to $4,638 per ounce.—AFP

Power users to continue paying debt surcharge

ISLAMABAD: The government on Wednesday announced that the Rs3.23 per unit debt surcharge on electricity consumers would continue for up to six years as it notified a revised uniform national base tariff for the current year without any change.

In a statement issued on the sidelines of the revised tariff notification for all distribution companies (Discos) and K-Electric, the Power Division said the debt surcharge, currently charged at Rs3.23 per unit, would be withdrawn in five to six years once the circular debt is cleared.

"Once the circular debt is cleared, the debt surcharge currently charged at Rs3.23 per unit will be withdrawn, providing further tariff relief to consumers," it said, adding that the government had introduced a surplus power package under which industrial and agricultural consumers can avail additional electricity at a concessional rate of Rs22.98 per unit for three years, helping reduce average industrial tariffs.

In addition, a circular debt settlement plan has been launched to eliminate outstanding debt within five to six years.

The Power Division also conceded that the growth of off-grid solar consumption had distorted subsidy requirements, with the number of protected consumers doubling from 11 million in 2021 to 22m recently due to hybrid consumption patterns. "This has not only strained fiscal resources but has also increased the cross-subsidy burden on industrial and commercial users, undermining their competitiveness," it said, adding that commercial, bulk supply and high-consuming domestic consumers were currently bearing a significantly higher cross-subsidy burden than the industrial sector.

Responding to criticism over higher energy costs — also highlighted by Finance Minister Muhammad Aurangzeb as one of the key reasons for the exit of foreign firms from Pakistan and export challenges — the Power Division said it would explore additional options to further reduce the cross-subsidy burden on industrial consumers, including subsidy reforms and debt refinancing, in addition to the tariff reduction measures already in place.

It added that data showed the industrial cross-subsidy burden had been reduced from Rs225 billion (Rs8.9 per unit) in March 2024, when the current government assumed office, to Rs102bn (Rs4.02 per unit) at present, reflecting a reduction of Rs123bn.

"Industrial electricity tariffs (including taxes) have declined from Rs62.99 per unit in March 2024 to Rs46.31 per unit in December 2025, while the national average tariff has fallen from Rs53.04 to Rs42.27 per unit," it said.

Moreover, to reduce electricity tariffs, the government has terminated inefficient power plants and successfully renegotiated contracts with independent power producers (IPPs). These measures have resulted in tariff reductions, and further negotiations with the remaining IPPs are underway, the Power Division said.—Khaleeq Kiani

Pakistan needs $566bn to meet climate targets

By Our Staff Reporter

KARACHI: Pakistan will need a staggering $565.7 billion in investment to achieve its Nationally Determined Contributions (NDC) 3.0 climate commitments by 2035.

These include a 17 per cent unconditional and 33pc conditional reduction in greenhouse gas emissions, a 30pc increase in electric vehicle adoption, and a shift to 60pc renewable energy.

Meeting these ambitious goals will depend heavily on mobilising green-aligned investments, making frameworks like the Pakistan Green Taxonomy and robust ESG disclosure practices essential for guiding capital toward sustainable projects.

This was revealed during a session on Pakistan Green Taxonomy (PGT) and ESG Disclosure Guidelines hosted by the Overseas Investors Chamber of Commerce and Industry (OICCI), which was attended by top business executives and industry stakeholders on Wednesday.

According to OICCI's press release, the session was held in the backdrop of the Securities and Exchange Commission of Pakistan's issuance of the revised ESG Disclosure Guidelines for listed companies, formally aligning them with the Pakistan Green Taxonomy. The move is aimed at strengthening sustainability reporting, enhancing transparency, and supporting Pakistan's climate transition and environmental commitments.

The Pakistan Green Taxonomy (PGT), launched by the State Bank of Pakistan (SBP) in 2024, provides a clear classification system for identifying activities that actively contribute to environmental objectives, including climate change mitigation, sustainable water use, ecosystem protection, pollution prevention, circular economy, and land management. Complementing this, the ESG Disclosure Guidelines, which will transition to mandatory reporting between 2029 and 2031, establish standardised metrics for financial and non-financial sustainability reporting.

On green financing, Farrukh Rehman, an expert on climate regulatory compliance, emphasised that integrating PGT into ESG reporting is a roadmap for businesses to align their operations with national climate objectives. Transparent and structured reporting will attract sustainable investment and enable companies to contribute to Pakistan's environmental and social goals.

Equities falter after overnight rally

By Muhammad Kashif

KARACHI: After a mild recovery overnight following a three-session of continuous battering, the Pakistan Stock Exchange (PSX) on Wednesday came under renewed selling pressure as investors resumed profit-taking amid a dearth of any positive triggers and mounting regional tensions, pulling the benchmark KSE-100 below the 183,000-point barrier.

Topline Securities Ltd said the bourse witnessed a round of profit-taking as investors chose to lock in gains following the recent rally. The benchmark index remained volatile throughout the session, hitting an intraday high of 775 points and a low of 1,581 points before closing at 182,569.82, down 1,381.69 points or 0.75pc.

Defying the broader market trend, the E&P sector emerged as a notable outperformer. Oil and Gas Development Company rose 2.95pc, while Pakistan Petroleum gained 2.12pc, both closing higher than the previous session amid selective buying interest in energy stocks.

On the index front, heavyweights including OGDCL, PPL, Askari Bank, Meezan Bank, and Atlas Honda Ltd lent support, collectively contributing 429 points. Conversely, weakness in United Bank, MCB Bank, Fauji Fertiliser, Lucky Cement, and Hub Power weighed on sentiment, shaving 897 points off the benchmark.

Trading activity remained subdued, with total market volume fell to 1.031 billion shares. However, the value of shares traded rose 5.19pc to Rs65.9bn. K-Electric led the volume chart, with 56 million shares traded.

Ali Najib, Deputy Head of Trading at Arif Habib Ltd, attributed the subdued market momentum to heightened geopolitical tensions, as investors adopted a cautious stance amid escalating uncertainty in the Middle East.

On the macro front, *Bloomberg* expects Pakistan's recent inflation slowdown to 5.6pc year-on-year to be temporary. CPI is projected to reaccelerate due to base effects, stronger demand, and rising energy prices, with inflation potentially nearing 8pc by 4QFY26. This outlook suggests the SBP is likely to maintain its policy rate at 10.5pc, with upside risks stemming from potential oil price shocks.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
Atlas Honda	63.14	PIA Holding CoB	913.34	K-Electric	56.26
Security Papers	16.30	Unilever Foods	98.42	WorldCall Telecom	55.67
Attock Refinery	8.76	Nestle Pakistan	40.00	PIBT	47.52
JDW Sugar Mills	8.74	Indus Motor Co	32.38	Pace Pakistan	45.36
OGDCL	8.67	Premium Textile	27.88	Nishat Power Ltd	42.60

(Share values in rupees) * Volume in millions of traded shares

INDICATORS	Wednesday	Previous	Change
KSE 100-SHARE INDEX (Points)	182,569.82	183,951.51	▼ 1,381.69
KSE 30-SHARE INDEX (Points)	56,029.54	56,444.71	▼ 415.17
MARKET CAPITAL (Rs billion)	20,630.228	20,769.751	▼ 139.523
TRADING VALUE (Rs billion)	65.963	62.704	▲ 3.259

ACTIVITY

Total listed	532
Active	483
Gainers	90
Losers	352

PARTICIPANTS

Foreign	▼$2.53m
Companies	▲$4.07m
Banks	▼$6.59m
Mutual Funds	▲$8.21m
Individuals	▲$6.46m

Govt cuts bond yields

By Our Staff Reporter

KARACHI: The government on Wednesday raised Rs546 billion through the auction of long-term Pakistan Investment Bonds (PIBs) while the cut-off yields were slashed by up to 70 basis points.

The government remained within the auction target of Rs450bn, but it also borrowed Rs41.9bn on non-competitive bids and Rs54.4bn through short selling. In fact, the total amount raised by the government was Rs546.3bn.

In the treasury bill auction held on Jan 7, the cut-off yields were reduced by up to 34 basis points. The two auctions suggest the interest rate may be cut again at the next monetary policy committee meeting, scheduled for Jan 26 by at least 50bps.

Since inflation slowed in December 2025 compared with November, trade and industry groups began calling for a large rate cut of at least 300bps.

The highest amount of Rs126bn was raised for a 10-year period, and Rs125bn for a three-year tenor.

US DOLLAR	BUYING Rs280.38 SELLING Rs281.00	EURO	BUYING Rs326.60 SELLING Rs329.75
GBP	BUYING Rs377.03 SELLING Rs380.39	UAE DIRHAM	BUYING Rs76.50 SELLING Rs77.24
KSA RIYAL	BUYING Rs74.82 SELLING Rs75.41	GOLD	TOLA Rs486,162 10 GMS Rs416,805